

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

ITR No.66 of 1992
Date of decision:15.12.2006

The Commissioner of Income Tax, Jalandhar

....Petitioner

versus

Shri Shakti Chadha Karta of the HUF, Shri Jangi lal Chadha C/o M/s.
Jalandhar Daree & Niwar Mfg. Co.,Jalandhar.

....Respondent

CORAM: HON'BLE MR. JUSTICE ADARSH KUMAR GOEL
HON'BLE MR. JUSTICE RAJESH BINDAL

Present: Dr. N.L.Sharda, Advocate, for the revenue.

JUDGMENT:

Following question of law has been referred for the opinion of this Court by the Income Tax Appellate Tribunal, Amritsar Bench, Amritsar arising out of its order dated 20.3.1990 in ITA No.650(ASR)/1987, for the assessment year 1984-85:-

“Whether on the facts and in the circumstances of the case, the Ld. Tribunal was right in law in directing the Assessing Officer to recompute the annual value of the property under section 23(1) of the Income Tax Act, on the basis of the rent deeds?”

The assessee executed two rent deeds letting out two units of the property in favour of Karta and member of HUF itself. The property was situated in Punjabi Bagh, New Delhi and was let out at Rs.500/- each. The Assessing Officer held that the annual value of the property was to be determined on the basis of market rent and estimated the same to be Rs.2000/- per month each. The appellate authority upheld the view taken by the Assessing officer. The Tribunal held that for first five years, standard rent shall be deemed to be rent at which the premises were first let out.

We have heard learned counsel for the revenue and perused the

record.

The Tribunal has not dealt with the finding recorded by the Assessing Officer that letting out being in favour of the family member, rent of Rs.500/- as shown in the agreement was not genuine. The observation of the Tribunal with reference to statutory provisions to the effect that agreed rent was standard rent, could not be held to be relevant. Since the Tribunal has not dealt with the finding recorded by the CIT(A), we would have sought a report from the Tribunal but since amount involved is insignificant, we do not consider it appropriate to further go into the matter.

Reference is returned unanswered.

(Adarsh Kumar Goel)
Judge

December 15,2006
'gs'

(Rajesh Bindal)
Judge